# Performance Based Logistics (PBL) For Secondary Items

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# PERFORMANCE-BASED LOGISTICS (PBL) IS:

- Buying ***RESULTS*** not ***RESOURCES***
- Using ***PERFORMANCE*** specifications not ***DESIGN*** specifications
- Buying a ***SOLUTION*** or an ***OUTCOME*** not defining the ***PROCESS AND METHODS*** to achieve a pre-determined course of action
- All about assigning ***RESPONSIBILITY*** to the ***SUPPLIER*** not the ***REQUIRING*** organization

# OVERVIEW

MEMO, Claude M. Bolton, Jr., Asst Secretary of the Army for Acquisition Logistics and Technology dated 2 May 2006, directed:

-Expansion of the implementation of PBL to secondary items/depot-level reparables (DLRs) products that are stocked within the AWCF.

-Focus on –

- actively-demanded AWCF DLRs

- Secondary items with diminishing resources and material shortages

# Contracts

- Expanded Roles for Contractors

  - Produce and Repair to a Turn-Around-Time Metric with Incentive for early delivery

- Looking at expanding to Consumables on a System basis for:

  - Stock, Store, Produce, Deliver and Demand Planning
  - Meeting a Stock Availability Metric with Incentive for higher rate of availability

# Army PBL Criteria
## -- How The Army Defines PBL --

**PBL requires …**

- Incentives for better product support performance outcomes
- Measurable metrics
- Best use of organic / commercial partnering resources
- Compliance with the Army's PBL guidance
- High potential for increase in system level performance
- Ability to facilitate continuous Logistics modernization

**Must include, or have a plan for:**

- An approved & validated Business Case Analysis (BCA)
- A Product Support Integrator (PSI)
- Performance Based Agreements (PBAs) between impacted entities

# Secondary items metrics

- Stock availability
- Logistics response time
- Reduction in procurement lead time
- Reduction in overall backorders
- Reduction in backorders of mission essential items
- Overall inventory costs
- Cost per unit usage

# Army PBL GOALS/OBJECTIVES

- Provide Warfighters Increased Operational Readiness
- Enhance the Logistics Response Times
- Enhance Deployment
- Reduce the Logistics Footprint
- Reduce Logistics Cost

# CONCLUSIONS

- We solicit your thoughts and ideas by 29 Jun 07.

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